



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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February 21, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 4028

Clay Shumway
U.S. Gypsum Company
81 North State Street
P.O. Box 570160
Sigurd, Utah 84657

Re: Five-Year Review of Reclamation Surety Estimate, U.S. Gypsum Company, Jumbo-Jensen Quarry, M/041/008, Sevier County, Utah

Dear Mr. Shumway:

Thank you for providing the requested information regarding the five-year review status of your Jumbo-Jensen Quarry, located in Sevier County, Utah. The last surety estimate for this mine was \$264,500 in 1998 dollars. Upon review of the information furnished by U.S. Gypsum Company, which stated that there had been only minimal changes at the site, we find we only need to escalate the present bond for a five-year period.


The surety for the Jumbo-Jensen Quarry escalated to the year 2007 is \$372,300. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than April 22, 2002.

You may have your bank issue an amendment to your existing surety or, if you choose to post another form of surety, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms. You may also access the current forms on the internet at www.nr.utah.gov. An updated Reclamation Contract will also be required which will be tied to and become an integral part of the updated surety. A blank Reclamation Contract is enclosed for your use. Please provide a draft copy of the Reclamation Contract and surety so we can review them for completeness and accuracy before they are finalized.

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Clay Shumway
M/041/008
February 21, 2002

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment: Surety estimate update
Enclosure: Reclamation Contract
cc: Doug Jensen, DOGM
M41-08-bondescal.doc

SURETY ESTIMATE UPDATE

U.S. Gypsum Company

19-Feb-02

Jumbo-Jensen Quarry

M/041/008

Sevier County

Prepared by Utah Division of Oil, Gas & Mining

Last Update DATE

Feb. 19 2002

DESCRIPTION:

- Previous reclamation surety estimate was \$264,500 in year 1998 dollars
- Reclamation Estimate base amount calculated in 1993-\$
- This update adjusts the surety amount for escalation only.

This estimate based on the 1988 Reclamation Plan Summary

- This estimate does not include any reclamation of the plant site.
 - The reclamation plan includes haul roads & mines quarries.
 - Waste material will be regraded into the mine quarries.
 - Soil material will be placed on the waste material and ripped.
 - The regraded mine quarries will be seeded & fertilized.
 - Haul roads that do not have a post mining use will be reclaimed.
 - Haul roads will be ripped, regraded and covered with soil material.
 - The regraded roads will be seeded and fertilized.
 - Assume 20% of the total reclaimed area will need to be reseeded.
 - Mine area acreage (measured from map dated 5/12/93) **122.3 acres**
 - Haul road acreage (measured from map dated 5/12/93) **33.3 acres**
- The operator has requested that the total acreage remain at 153.6 acres to allow for expansion.
- Escalation factors through 2000 are actual Means Historical Cost Indices
 - Total disturbed area = **155.6 ACRES**

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$			
	1991	0.0127	\$0.00
	1992	0.0221	\$0.00
	1993	0.0261	\$246,455.00
	1994	0.0321	\$254,366.21
	1995	0.0193	\$259,275.47
F = Future Sum	1996	0.0242	\$265,549.94
P = Present Sum	1997	0.0236	\$271,816.92
i = Escalation Factor	1998	0.0502	\$285,462.13
n = number of periods	1999	0.0200	\$291,171.37
	2000	0.0312	\$300,255.92
Three Yr Average = 3.12%	2001	0.0312	\$309,623.90
Used to Project 7 Yrs	2002	0.0312	\$319,284.17
From the Year 2000	2003	0.0312	\$329,245.83
	2004	0.0312	\$339,518.30
	2005	0.0312	\$350,111.27
	2006	0.0312	\$361,034.75
	2007	0.0312	\$372,299.03
Updated Surety Amount Rounded (2007-\$)			\$372,300.00
** Average cost per acre =	\$2,393 (\$/ACRE)		